



STATE OF MICHIGAN
 OFFICE OF THE STATE BUDGET
 LANSING

JENNIFER M. GRANHOLM
 GOVERNOR

ROBERT L. EMERSON
 DIRECTOR

August 22, 2008

MEMORANDUM

TO: Finance, Administrative, and Human Resource Officers
 All State Agencies

FROM:  Ruth Duquette, Director
 Payroll and Tax Reporting Division
 Office of Financial Management

SUBJECT: Revision of 2007-2008 Contribution Rates for the State Employees' Retirement System and State Police Retirement System

Retirement rates for the State Employees' and the State Police Retirement Systems will be revised effective with the pay period ending August 23, 2008 (September 4, 2008 pay date) through the pay period ending September 20, 2008 (October 2, 2008 pay date). The changes are summarized below and highlighted in the attached table.

Retirement Code	Current Rate	Revised Rate
RE01	35.10%	25.05%
RE02/17	54.18%	43.92%
RE04	30.12%	20.07%
RE26	41.98%	31.93%
DC Health Insurance	11.40%	1.35%

The revised rates reflect a reduction in the retiree health care component of the retirement rate. The reduced retiree health care contributions will be offset by higher than anticipated balances in the State Sponsored Group Insurance Fund (SSGIF), resulting from a federal determination requiring that the SSGIF be credited with common cash interest earnings. The reduced contributions will not affect pension or retiree health care benefits.

Finance, Administrative, and Human Resource Officers

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Please refer any questions regarding this memo to Amy Rice, Office of Financial Management, Payroll and Tax Reporting Division at (517) 241-0832.

Attachment

cc w/att:	N. Duncan	T. Hall – OSE	J. Winters – CSC
	M. Moody	D. Pintacura	
	L. Mester	OSB Directors	
	D. Quigley	PTR Staff	
	R. Foss	J. Paxton	
	P. Stoddard – ORS	J. Hallitt	

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
August 23, 2008

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
01	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	25.05%	32.70%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	25.05%	26.50%
02	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.92%	43.92%
03	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
04	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	20.07%	27.72%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	20.07%	21.52%
05	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
06	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
07	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
08	\$0 - \$102,000	6.20%	1.45%	3.50%	11.15%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	3.50%	4.95%	0.00%	1.45%	0.00%	1.45%
09	\$0 - \$102,000	6.20%	1.45%	9.00%	16.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	9.00%	10.45%	0.00%	1.45%	0.00%	1.45%
10	\$0 - \$102,000	6.20%	1.45%	1.50%	9.15%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	1.50%	2.95%	0.00%	1.45%	0.00%	1.45%
11	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
August 23, 2008

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
12	\$0 - \$102,000	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%
13	\$0 - \$102,000	6.20%	1.45%	3.58%	11.23%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	3.58%	5.03%	0.00%	1.45%	0.00%	1.45%
14	\$0 - \$102,000	6.20%	1.45%	8.36%	16.81%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	8.36%	9.81%	0.00%	1.45%	0.00%	1.45%
15	\$0 - \$102,000	6.20%	1.45%	8.38%	16.03%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	8.38%	9.83%	0.00%	1.45%	0.00%	1.45%
16	\$0 - \$102,000	6.20%	1.45%	3.59%	11.24%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	3.59%	5.04%	0.00%	1.45%	0.00%	1.45%
17	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	43.92%	45.37%
18	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
24	\$0 - \$102,000	6.20%	1.45%	5.23%	12.88%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	5.23%	6.68%	0.00%	1.45%	0.00%	1.45%
25	\$0 - \$102,000	6.20%	1.45%	3.00%	10.65%	6.20%	1.45%	0.00%	7.65%
	\$4,200 - \$102,000	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%

SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES
August 23, 2008

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
26	\$0 - \$102,000	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	31.93%	39.58%
	Over \$102,000	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	31.93%	33.38%
27	\$0 - \$102,000	6.20%	1.45%	7.00%	14.65%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	7.00%	8.45%	0.00%	1.45%	0.00%	1.45%
30	\$0 - \$102,000	6.20%	1.45%	13.50%	21.15%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	13.50%	14.95%	0.00%	1.45%	0.00%	1.45%
31	\$0 - \$102,000	6.20	1.45%	10.46%	18.11%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	10.46%	11.91%	0.00%	1.45%	0.00%	1.45%
32	\$0 - \$102,000	6.20	1.45%	10.40%	18.05%	6.20%	1.45%	0.00%	7.65%
	Over \$102,000	0.00%	1.45%	10.40%	11.85%	0.00%	1.45%	0.00%	1.45%
40	\$0 - \$102,000	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ²	Varies 12.00-13.00%
	Over \$102,000	0.00%	1.45%	0-3%		0.00%	1.45%	4.35%-5.35%	5.80-6.80%
50	\$0 - \$102,000	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$102,000	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%
52	\$0 - \$102,000	6.20%	1.45%	Varies ¹	Varies 9.65%-12.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$102,000	0.00%	1.45%	2-5%		0.00%	1.45%	4-7%	5.45-8.45%
60	\$0 - \$102,000	6.20%	1.45%	Varies ¹	Varies 7.65%-10.65%	6.20%	1.45%	Varies ³	Varies 11.65-14.65%
	Over \$102,000	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%

¹ Code DZ40, DJ40 or DR40 varies from 0.00% to 3.00%, depending on employee election.

² Includes mandatory state share (DZ4S) (4%⁴), state match of optional employee share (DZ40, DR40) (0.00% to 3.00%), and state share for post-retirement health insurance benefits (RE40) (1.35%).

³ The contribution for codes DZ4S & DJ4S is 4.0%⁴. The contribution for codes DZ40, DJ40 or DR40 varies from 0.00% to 3.0%.

⁴ The 4.0% is comprised of cash expenditures of 3.92% (Deduction Codes YD40 & YJ40) and use of forfeiture account balances of 0.08% (YD41 & YJ41). No expenditure is incurred for forfeiture amounts.